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KEAHOLE DEFENSE COALITION
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"Participant"

BEFORE THE PUBLIC UTILITIES COMMISSION

STATE OF HAWAII

In the Matter of the Application of HAWAII ELECTRIC LIGHT COMPANY, INC. for Approval for Rate Increases and revised Rate Schedules and Rules.	DOCKET NO. 05-0315 KEAHOLE DEFENSE COALITION'S RESPONSES TO HELCO'S INFORMATION REQUESTS NOS. 101 TO 138

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KEAHOLE DEFENSE COALITION'S RESPONSES
TO HELCO'S INFORMATION REQUESTS NOS. 101 TO 138

Keahole Defense Coalition ("KDC") submits its responses to the Company's Information Requests ("IR") Numbers 101 to 138. KDC's responses were prepared by Keichi Ikeda, Peggy J. Ratliff and Michael J. Matsukawa.

DATED: Kailua-Kona, Hawaii, March 7, 2007.

KEAHOLE DEFENSE COALITION
Participant

By: Keichi Ikeda
KEICHI IKEDA
Its President

HELCO/KDC-IR-101

Ref: KDC SOP page 5, footnote 3. Rezoning.

Footnote 3 states: "The alternatives were to rezone the Station site to an Urban-Industrial land use district or to amend the Company's existing Conservation district use permit (CDUP). Under either alternative, the Company had to prepare an environmental impact statement and undergo a 'contested case' process." Who would have been the potential participants in a contested case proceeding?

a. Would KDC have intervened and/or opposed either the rezoning or reclassification process if HELCO had applied for those changes in the 1990's?

b. If yes, please explain and describe the possible impact of such intervention and/or opposition in the timing, outcome and/or cost of the process.

c. If no, please explain.

d. Was there a possibility that any other parties would have intervened and/or opposed either the rezoning or reclassification process?

e. If yes, please explain and describe the possible impact of such intervention and/or opposition in the timing, outcome and/or cost of the process.

f. If no, please explain.

KDC Response to
HELCO/KDC-IR 101
Ref: KDC SOP Page 5,
Footnote 3,
Rezoning

Response

A proceeding for a boundary amendment before the Land Use Commission is a "contested case" by statutory definition and Hawaii Supreme Court rulings. As to the "potential" participants in such a proceeding (beside the applicant), the Office of State Planning and County of Hawaii would have automatically been made parties to the proceeding and would participate therein. It is speculative to determine what other agencies and individuals might have "participated" in the proceeding and the extent of such "participation."

A CDUA proceeding before the BLNR is also a "contested case," but state and county agencies are not automatically made parties to a CDUA proceeding. It is speculative to determine what agencies and individuals might have "participated" in the proceeding and the extent of such "participation."

a. KDC was not organized until 1994. Whether KDC would have acted to either intervene in or to oppose a Land Use Commission quasi-judicial boundary amendment proceeding would depend on the content of the Company's petition, the manner in which the Company presented its case and the Company's proposed mitigation measures. In this respect, it is speculative to state

whether KDC would have petitioned to intervene or opposed the Company's request before the Land Use Commission.

There is no provision for intervention in the County Council legislative rezoning procedure, but, again, whether KDC would have opposed the rezoning request would depend upon the Land Use Commission's underlying boundary amendment Order and conditions of approval, the manner in which the Company presented its case, the content of the Company's petition and the Company's proposed mitigation measures.

b. The Land Use Commission quasi-judicial proceeding and County of Hawaii legislative proceeding would have probably been focused on mitigation measures. In this respect, KDC's intervention or opposition (if any) would likewise focus on mitigation measures. In this regard, KDC's intervention or opposition (if any) on process timing would not have been significant and the Company would not have incurred significant additional costs. The outcome is speculative, but one can note that the Land Use Commission approved the State's boundary amendment petition for 2,000+ acres of land surrounding the Station site to the Urban district in Docket A92-685 and the County Council had designated the area for Urban expansion purposes.

c. See response in IR-101.b, above.

d. It is speculative to state what was "possible" or the extent of any "possible" intervention or opposition by "other parties."

e. It is speculative to state what the "possible" impacts might have been on process timing, outcome or costs.

f. See response in IR-101.e.

HELCO/KDC-IR-102

Ref: KDC SOP page 7. Noise.

KDC states that HELCO rejected the advantages of rezoning to achieve the noise levels that would be appropriate to an industrial zoned area. What are the appropriate noise levels that KDC believes have applied to an industrial zoned area prior to 1996? Please explain.

KDC Response to
HELCO/KDC-IR 102
Ref: KDC SOP Page 7,
Noise

Response

In the absence of a prescriptive standard, the Land Use Commission and County Council would have used a health-based standard and would have considered all relevant facts to fix noise levels that the bodies determined would be appropriate for the project and surrounding lands and landowners/occupants.

HELCO/KDC-IR-103

Ref: KDC SOP, page 7. Rezoning.

With respect to the Keahole Power Plant Property, what is KDC's understanding of the noise levels referenced when it says that, after rezoning, "noise levels would be that which is appropriate to an industrial zoned area"?

KDC Response to
HELCO/KDC-IR 103
Ref: KDC SOP Page 7,
Rezoning

Response

See response to IR-102, above. The Land Use Commission and County Council may establish noise levels as conditions of approval, taking into consideration all relevant facts. Through this process, the Land Use Commission and County Council would have established an "appropriate" noise level.

HELCO/KDC-IR-104

Ref: KDC SOP, page 7. Noise.

Is it KDC's position that the agricultural properties adjacent to the Keahole Power Plant should have equivalent noise limits of 45/55 dBA instead of the current 70 dBA? Why or why not?

KDC Response to
HELCO/KDC-IR 104
Ref: KDC SOP Page 7,
Noise

Response

The properties adjacent to the south of the Station are not "agricultural properties" and the Department of Health has not ruled that "current" noise levels for Keahole Agriculture Park leaseholds are 70 dBA. Keahole Agriculture Park leaseholds may be used for residential uses as the Company's economic expert (Cowell & Co.) recognized in its EIS report. The Department of Health's ruling on the prescribed noise levels for Keahole Agriculture Park leaseholds would be based on these factors and the criteria set forth in the Department's regulations.

HELCO/KDC-IR-105

Ref: KDC SOP page 10. Air Permitting.

Does KDC have any supporting documentation that provides a comparison to other air permit applications to support its claim that HELCO "hastily assembled data" to support its air permit application? If yes, please provide documentation or data.

KDC Response to
HELCO/KDC-IR 105
Ref: KDC SOP Page 10,
Air Permitting
8E.A.D.66 (1998)

Response

In its decision, the United States Environmental Protection Agency Appeals Board ("Appeals Board") described the information that the Department of Health used in its analysis, which information the Company provided to the Department. The Appeals Board found that this information included:

- measurements taken at the Station in February 1984-January 1985 for SO_2 and NO_2 concentration levels;

- measurements taken at Kealakekua in September 1985-August 1986 for particulate matter;

- the absence of pre-construction monitoring for particulate matter;

- supplemental SO_2 and particulate matter data that was not made available to the public during the public comment period.

- measurements taken at Waiakea (South Hilo) in September 1989-September 1990 for CO and O_3 concentration levels;

- met data obtained from the Company's separate application for CT-2's permit modification for 10-meter wind speed and direction and 32-meter level winds;

- upper air data collected at Hilo and surface air data collected at Keahole to determine hourly mixing heights;

- the absence of data on SO_2 and particulate matter attributable to the continuous eruption of Kilauea;

The Appeals Board's decision sufficiently demonstrates that the Company's application was "hastily assembled." KDC does not have a "comparison to other applications." Such comparison is not necessary in this instance.

HELCO/KDC-IR-106

Ref: KDC SOP page 12. Groundwater.

KDC contends that the Company incurred "excessive costs" for groundwater. What excessive costs is KDC referring to? What is the comparative cost HELCO should have incurred if it had addressed groundwater in the manner KDC believes was appropriate? Please detail such appropriate process and provide amounts and applicable references.

KDC Response to
HELCO/KDC-IR 106
Ref: KDC SOP Page 12,
Groundwater

Response

The "excessive costs" are the attorney fees that the Company incurred to oppose KDC's assertion that the Company had to obtain a license to use the groundwater. The Company would not have incurred such fees if it had complied with the relevant statute and the terms of its land patent at the outset.

HELCO/KDC-IR-107

Ref: KDC SOP, page 13. Noise.

a. What measurement standard (ie. emitter-based or receptor-based) did HELCO's consultant employ when evaluating sound levels for consideration in the design of the new equipment for the Keahole project in the early 1990s?

b. What is KDC's position on whether the Department of Health changed its measurement standard during the course of the project?

KDC Response to
HELCO/KDC-IR 107
Ref: *KDC SOP* Page 13,
Noise

Response

a. KDC does not know what measurement standard the Company's consultant (Stone & Webster and/or Y. Ebisu) employed. The advice that the Company's consultant provided in KDC No. 56 does not expressly refer to either an emitter or receptor-based standard. The advice that the Company's other consultant provided in KDC No. 59 does not expressly refer to either an emitter or receptor-based standard.

b. KDC does not have a position or sufficient facts upon which to conclude whether the Department of Health "changed its measurement standard during the course of the project." KDC notes, however, that the Department of Health addressed this subject in part in KDC No. 75.

HELCO/KDC-IR-108

Ref: KDC SOP pages 17 and 43. CT-5.

Is it KDC's position that the Commission's D&O No 14284 in Docket No. 7623 dated September 22, 1995 did not approve the construction of CT-5 and ST-7?

a. If no, how does this change KDC's position?

b. If yes, please explain.

KDC Response to
HELCO/KDC-IR 108
Ref: KDC SOP Pages
17 and 43,
CT-5

Response

In its Order 14284, Docket No. 7623, the Commission reviewed the Company's request to commit funds for CT-5 and ST-7 pursuant to General Order No. 7. The Commission held at Page 12 that the next generating unit should be "that which can be most expeditiously put in place" and left open "the option of HELCO obtaining additional generation through its own facility." The Commission then made a conditional ruling at Page 12-13 that the Company could pursue construction of its own facility and commit funds for that purpose, except as provided in "Part D" and subject to the condition that the Company "in parallel" negotiate in good faith with other producers. The Commission also withheld determining what costs would be included in the Company's rate base. The Commission continued at Page 15-16 that it would review the Company's "early purchase" of CT-5 at the next rate hearing.

a. KDC's statement that the Commission did not approve the construction of CT-5 was made in this context.

b. See response to IR-108.a, above.

HELCO/KDC-IR-109

Ref: KDC SOP, page 20. Air Permit.

Please provide the specific reference in the cited November 1998 EAB document that "directed the Company to collect more representative data".

KDC Response to
HELCO/KDC-IR 109
Ref: KDC SOP Page 20,
Air Permit

Response

Page 109, Order Denying Review in Part and Remanding in Part, PSD Appeals Nos. 97-15 through 97-23, In Re Hawaiian Electric Light Company, Inc., 8 E.A.D. 66 (1998).

Although the Appeals Board's order is formally directed to the Department of Health, the Company is the ultimate obligor (if the Company intended to pursue the subject application). The Company notes in HELCO 1501, Page 61-63 that in response to the Appeals Board's Order, the Company installed the Huehue Monitoring Station and Kakahiaka Street Monitoring Station and, further, that the Company used the information obtained from the two monitoring stations "to address the EAB's findings in its remand order" and to provide the "data requested by EPA."

HELCO/KDC-IR-110

Ref: KDC SOP, page 20. Air Permit.

Please provide the basis for the statement that the "Company used hastily assembled data to support its application".

KDC Response to
HELCO/KDC-IR 110
Ref: KDC SOP Page 20,
Air Permit

Response

See response to IR-105, above.

HELCO/KDC-IR-111

Ref: KDC SOP, page 20, Air Permit.

What is KDC's understanding of whether regulators have the authority to determine that existing meteorological and air quality data can be deemed representative and acceptable for use in an air permit application?

KDC Response to
HELCO/KDC-IR 111
Ref: KDC SOP Page 20,
Air Permit

Response

At Page 105-106 of its decision, the EPA Appeals Board held that regulators such as the Department of Health may determine that "existing meteorological and air quality data can be deemed representative and appropriate for use in an air permit application." However, the EPA's deference to the regulators' authority is not unlimited, as noted by the EPA Appeals Board at Page 105 (site specific data "are always preferable").

HELCO/KDC-IR-112

Ref: KDC Position Statement, page 20. Air Permit.

Please provide the basis for the statement "in a place already ladened with chronic volcanic emissions (vog)". What documented basis does KDC have for determining that the plant would have an adverse impact on the existing air quality conditions?

KDC Response to
HELCO/KDC-IR 112
Ref: KDC Position
Statement, Page
20, Air Permit

Response

At Pages 99 and 104 of its decision, the EPA Appeals Board accepted the statement that the Kona region was subject to chronic "vog" conditions.

In addition, the subject of "vog" was discussed at a special symposium sponsored by the Department of Health at which presentations were made by the United States National Park Service, Department of Interior and Mauna Loa Observatory. A video copy of the symposium presentations was filed with the BLNR Hearing Officer in the November 1995 BLNR "contested case" hearing.

Several Kona area physicians also noted their health-related concerns of "vog" which are the product of SO_2 from volcano emissions. (KDC No. 12)

HELCO/KDC-IR-113 Ref: KDC SOP, page 12, and footnote 21 on page 20. Air Permit.

In an effort to lower the cost of the Projects, the Company repeatedly denied that Selective Catalytic Reduction (SCR) was best available control technology to control air emissions from CT-4 and CT-5, even though the United States Environmental Protection Agency (EPA) had stated that SCR is best available control technology for CT-4 and CT-5.

a. Please provide the earliest document in which the EPA stated that "SCR is best available control technology for CT-4 and CT-5"?

KDC Response to
HELCO/KDC-IR 113
Ref: KDC SOP Page 12,
and Footnote 21
on Page 20, Air
Permit

Response

The EPA issued a determination letter on SCR as noted in KDC No. 82 and in the EPA Appeals Board decision, at Page 69. In response, the Company then proposed to "net out" of the PSD significance level.

In a letter of September 15, 1994, the EPA offered comments on SCR as BACT and the Company's MECO demonstration project, stating that SCR be installed if "it is successfully demonstrated by the MECO study." By letter of November 14, 1995 (KDC No. 82), the EPA stated that the preliminary results of the MECO demonstration project "verifies the viability of SCR as a NO_x control option for oil-fired gas turbines."

HELCO/KDC-IR-114 Ref: KDC SOP, page 16. Air Permit.

with full knowledge of the risks that those decisions entailed. Rather than abandon the Projects, the Company obtained a settlement with project opponents in 2003 that allowed the Company to continue construction, but on condition that the Company (1) REZONE the Station site to an Urban-Industrial land use district, (2) USE SCR as best available control technology for CT-4 and CT-5, (3) obtain a GROUNDWATER LICENSE and (4) MITIGATE NOISE. Ironically, under the settlement with project opponents, the Company agreed to do things that the Company was always required to do under applicable laws and that the community,

a. Does HELCO's final air permit for CT-4 and CT-5 require installation of SCR as best available control technology?

b. If yes, please cite to the specific provision in the air permit, including any conditional or clarifying language pertinent to SCR. To the extent of any conditional language, have such conditions been met, so that the permit itself would cause SCR to be required at Keahole?

KDC Response to
HELCO/KDC-IR 114
Ref: KDC SOP Page 16,
Air Permit

Response

a. The Company's final air permit for CT-4 and CT-5 does not require the immediate installation of SCR. However, the EPA Appeals Board noted that the Department of Health was within its authority to require the use of SCR upon completion of the Maui demonstration project, which requirement is a condition to the final air permit for CT-4 and CT-5 (Page 82, EPA Appeals Board decision).

b. CSP No. 0007-01-C, Attachment II, Section A, Part 4, Page 2-3, July 25. 2001. KDC is not aware of the current status of the MECO study. However, the Company agreed to use SCR in its 2003 settlement statement with project opponents.

HELCO/KDC-IR-115 Ref: KDC SOP, page 20. Air Permit.

application. In November 1998, the EPA Appeals Board directed the Company to obtain more representative data to support its air permit application, leaving the issue of SCR unresolved. The Company received

a. The EPA Environmental Appeals Board's November 25, 1998 Order Denying Review in Part and Remanding in Part explicitly denied review of appeals of the permit concerning the Department of Health's allowance of a netting analysis with respect to NOx emissions and the Department of Health's determination of NOx best available control technology for CT-4 and CT-5. Does KDC consider this Order as "leaving the issue of SCR unresolved"? If so, please explain the basis for this, and cite to specific provisions of the Order relevant to that conclusion.

KDC Response to
HELCO/KDC-IR 115
Ref: KDC SOP Page 20,
Air Permit

Response

a. The issue of SCR remained "unresolved" in context of the Department of Health's retained authority to require the use of SCR upon completion of the Maui demonstration project. (IR-114, above; Page 82, EPA Appeals Board decision) Prior to the Company's settlement with project opponents, the Department of Health had not rendered a decision on the Maui demonstration project, leaving SCR "unresolved." (See KDC No. 83.) However, the Company later agreed to install SCR as part of its settlement with project opponents.

HELCO/KDC-IR-116

Ref: KDC SOP page 23 & 24. Noise.

a. Please confirm that recommended mitigation measures from HELCO's acoustic consultant included:

   i. Locating equipment and buildings on the property to act as noise barriers,

   ii. Specifying reduced noise level components and equipment, including quiet air-cooled condensers, combustion turbines, and equipment with low- and high-frequency (tonal) sources attenuated,

   iii. Incorporating special noise attenuating features into the design of the steam turbine building, and

   iv. Minimizing noise-producing activities during nighttime and early morning hours.

b. Please verify that the EIS (KDC 9, Final EIS page 3-90, and Revised Final EIS page 3-100) states that discouraging future land development for residential use adjacent to the power plant, encourging commercial, industrial, or other less-noise-sensitive uses, and disclosure of expected noise levels from the power plant in all real estate transactions and rental or lease agreements involving lands near the station are all recommendations to prevent future conflicts due to the *perception* of noise impacts.

KDC Response to
HELCO/KDC-IR 116
Ref: KDC SOP Pages
23 & 24, Noise

Response

a. The Company's acoustic expert (Y. Ebisu) made several recommendations for noise mitigation. These measures are set forth in KDC No. 59 and include items a.i to a.iv as well as the "no-build zone" that Y. Ebisu describes in KDC No. 59.

b. The Company's acoustic expert's report that is attached to the Company's EIS (KDC No. 59) speaks for itself. The expert does not define conflicts as being "perceived" or based on someone's "perception of noise impacts." (KDC No. 59, Page 51) The expression "perception of noise impacts" appears in the text of the Company's EIS, but not in the Company's acoustic expert's report that is attached to the EIS.

HELCO/KDC-IR-117

Ref: KDC SOP pages 13 and 23. Noise

KDC indicates that HELCO did not follow through on committments to obtain "buffer zones" (noise easements) around the Station.

a. Relevance of the letters from HELCO to DLNR in KDC Exhibit 74 (1973 and 1987). Please verify that these letters refer to the siting of CT-4 & CT-5.

b. Please confirm that the recommendations in Exhibit 9 (Final EIS dtd June 1993, Section 3 page 3-90; and Revised Final EIS dtd December 1993, Section 3 page 3-100), Exhibit 11 (page 3), and KDC Exhibit 59 (page 2 and page 51) do not contain any obligation made by HELCO to purchase additional land around the power plant.

c. Please identify where in the exhibits cited in Footnote 14 and on the bottom of page 23 (KDC 9, KDC 74, and KDC 11) HELCO made a promise to obtain buffer zones or noise easements.

KDC Response to
HELCO/KDC-IR 117
Ref: KDC SOP Pages
13 & 23, Noise

Response

a. The letters referred to in KDC No. 74 refer to the Company's past use of open space around the Station as buffer zones for its peaking operations. At the time of the 1973 and 1987 letters, the Company had not yet proposed to site CT-4 and CT-5 at the Station. In the design of CT-4 and CT-5, the Company proposed to continue using open space around the Station as buffer zones for its baseload operations.

b. KDC Nos. 9, 11 and 59 speak for themselves. In KDC No. 74 (June 21, 1993 letter), the Company's representative expressed the Company's "interest" in acquiring "additional State land to the north and east of the Keahole facility to serve as a buffer." Whether the Company had thereby incurred an "obligation" to secure appropriate "buffer zones" is dependent on the Company's intent as that intent is reflected in the statements and actions of the Company's authorized officers and agents. Furthermore, the conditions that attach to a CDUP pursuant to HAR 13-2-21(a)(1) & (a)(9) require the Company to minimize noise impacts. The Company therefore had an "obligation" to consider and to apply its consultant's recommendations in order to comply with the conditions in HAR 13-2-21(a)(1) & (a)(9).

c. During the CDUA proceeding, Company officials stated that the Company would comply with all laws and rules (e.g., 1993 testimony of Frank Kennedy to the BLNR). These laws and rules include HAR 13-2-21(a)(1) & (a)(9).

HELCO/KDC-IR-118

Ref: KDC SOP page 23. Noise.

KDC represents that HELCO's design consultant recommended that noise be limited to 45 dBA and 50 dBA (KDC 56).

a. Please confirm that Stone & Webster's Conclusion in KDC 56 indicated that Phase III operations (combined cycle with ST-7) would have to be quieted to meet a property line noise criteria meeting the Oahu noise code, and that was the basis for the consultant's recommendation for a 45 to 50 dBA property line noise criteria.

KDC Response to
HELCO/KDC-IR 118
Ref: KDC SOP Page 23,
Noise

Response

At its Conclusion, Page 3, Stone & Webster did not qualify its 45 dBA-50 dBA recommendation. Nor did Stone & Webster state that the Oahu code was the basis of its recommendation.

HELCO/KDC-IR-119

Ref: KDC SOP page 30 and 31. Escalation.

Referring to HELCO-1501, Exhibit IV, pages 81-82 and Exhibit III, pages 79-80.

a. Does KDC agree that the $1,047,800 amount for construction escalation, the $318,400 amount for engineering escalation, the $1,261,000 amount for materials escalation agree in footnotes in HELCO-1501, Exhibit IV, pages 81-82 agree with the escalation amounts in lines 12, 30, and 70 in HELCO-1501, Exhibit III, pages 79-80? If no, please explain. **[SG: what is our point with this question?]**

b. Does KDC agree that the $1,300,000 for spare parts shown in the footnote in HELCO-1501, Exhibit IV, page 82 is not for escalation and is for the cost of spare parts as shown on line 68 in HELCO-1501, Exhibit III, pages 80? If no, please explain?

c. Does KDC agree that the $1,345.000 for freight allowance shown in the footnote in HELCO-1501, Exhibit IV, page 82 is not for escalation and is an allowance for freight as shown on line 69 in HELCO-1501, Exhibit III, pages 80? If no, please explain?

KDC Response to
HELCO/KDC-IR 119
Ref: KDC SOP Pages
30 & 31,
Escalation

Response

a. The amounts are based on the Company's statements in HELCO 1501. To this extent, HELCO 1501 speaks for itself. However, the amounts in Exhibit IV (footnote 1) were "reallocated to" and "included in" separate line items.

b. See response to IR-119.a, above.

c. See response to IR-119.a, above.

HELCO/KDC-IR-120

Ref: KDC SOP, page 31, item 3.b.

Does KDC agree that the amount of "$70,218" for T. Bailey should be $70,298 as shown on page 28 of HELCO-1501?

KDC Response to
HELCO/KDC-IR 120
Ref: KDC SOP Page 31,
Item 3.b

Response

KDC agrees that HELCO 1501, Page 28 shows T. Bailey amounts as "$70,298" instead of $70,218.

HELCO/KDC-IR-121

Ref: KDC SOP, page 36, item 13.b.

Does KDC agree that the amount "$160,000" for Stone & Webster should be $106,000 as shown on page 40 of HELCO-1501?

KDC Response to
HELCO/KDC-IR 121
Ref: KDC SOP Page 36,
Item 13.b

Response

KDC agrees that HELCO 1501, Page 40 for Stone & Webster shows Stone & Webster amounts as $106,000" instead of $160,000.

HELCO/KDC-IR-122

Ref: KDC SOP, page 37, item 17.b.

Does KDC agree that the amount "$290,000" for General Electric should be $190,000 as shown on page 43 of HELCO-1501?

KDC Response to
HELCO/KDC-IR 122
Ref: KDC SOP Page 37,
Item 17.h

Response

KDC agrees that HELCO 1501, Page 43 for General Electric amounts as "$190,000" instead of $290,000.

HELCO/KDC-IR-123

Ref: KDC SOP, page 37, item 15, 16, and 17.

Is it KDC's position that the total of the amounts in items 15, 16, and 17 should be excluded from rate base even if the amounts for item 16 ($1,260,000 for equipment and materials storage), amount for item 17.a ($207,000 for TransCanada), and amount for item 17.b ($190,000 but incorrectly shown as $290,000 for General Electric) are included in the total $1,570,666 variance for materials as explained in HELCO-1501, pages 40-43? **[SG: not clear to me, but is our point that they are double counting some items?]**

KDC Response to
HELCO/KDC-IR 123
Ref: KDC SOP Page 37,
Items 15, 16
& 17

Response

KDC stated that after reviewing HELCO 1501 it is not certain as to whether the amounts in items 15, 16 and 17 are in fact included in the $1,570,666 variance for materials.

HELCO/KDC-IR-124

Ref: KDC SOP, page 24 and 25.

Why does KDC state that for the purchase of CT-4 in November 1991 that HELCO "puts units in storage" in November 1991 even though they were delivered in 1994 as stated on page HELCO-1501?

KDC Response to
HELCO/KDC-IR 124
Ref: KDC SOP Pages
24 & 25

Response

KDC meant to say that the unit was put in storage upon its delivery.

HELCO/KDC-IR-125

Ref: KDC SOP, page 44.

KDC states that "To the extent that the Commission concludes that CT-5's capacity is not needed and that CT-5 is not used or useful for utility purposes, the Commission should exclude **all** amounts relating to CT-5 ($50,181.116) from the Company's rate base."

a. In KDC's estimation, is CT-5 "used and useful for utility purposes"?

b. If the response to a. is other than an unqualified "yes", please provide a specific explanation and documentation to support your position.

c. Is it KDC's position that CT-5 at Keahole is not currently providing benefits to the HELCO system? Please explain and provide documented support for KDC's position.

KDC Response to
HELCO/KDC-IR 125
Ref: KDC SOP Page 44

Response

a. KDC has left that determination to the Commission as the Commission stated in Order 14284, Docket No. 7623.

b. KDC has left that determination to the Commission as the Commission stated in Order 14284, Docket No. 7623.

c. KDC has left that determination to the Commission as the Commission stated in Order 14284, Docket No. 7623.

HELCO/KDC-IR-126

Ref: KDC SOP, page 2.

KDC states that HELCO "Tried to avoid paying for groundwater."

a. Is it KDC's position that it is appropriate for HELCO to pay for groundwater?

b. If yes, does KDC take issue with the amount that HELCO is paying for groundwater under its lease? Please explain and provide documentation.

Response

a. Since State law requires the Company to pay for the use of groundwater, it would be "appropriate" for the Company to pay for groundwater.

b. KDC does not take issue with the amount that the Company is required to pay for the groundwater under its license from the State of Hawaii.

HELCO/KDC-IR-127

Ref: KDC SOP, pages1-2.

KDC states that, "the Company should have negotiated with independent power producers in good faith and should have purchased capacity." It also states that, "Puna Geothermal Ventures sought to increase its capacity."

a. What is KDC's understanding of the purchase power agreements in place during this time?

b. From what producer(s) should HELCO have purchased additional capacity?

c. At what price should such purchases have been made?

d. Is KDC aware that HELCO entered into a contract amendment with Puna Geothermal Venture in 1996 to purchase an additional 5 MW of capacity? In addition to the resulting 30 MW contract, what is KDC's position as to any additional capacity that HELCO should have purchased from Puna Geothermal?

KDC Response to
HELCO/KDC-IR 127
Ref: KDC SOP Pages
1-2

Response

a. KDC's understanding of the purchase power agreements in place "during this time" were those described in the Commission's various dockets relating to CT-4, CT-5, Encogen, KCP, HCPC and PGV and the Company's 1995 Contingency Plan.

b. The Company could have continued to purchase capacity from HCPC.

c. The purchase price should have been made at the Company's avoided costs or lower.

d. KDC is aware that the Company had entered into a contract amendment with Puna Geothermal Ventures in 1996 for 5 MW of capacity (for a total of 30 MW). However, KDC is also aware that the Company made public statements that as a result of constructing CT-5, the Company has no need to purchase the additional capacity that Puna Geothermal Ventures is capable of producing. (KDC No. 85)

HELCO/KDC-IR-128

Ref: KDC SOP, page 2 and page 8.

KDC states that HELCO "sought a "default" conditional land use entitlement . . ." and that when filing its application in 1992 it "expected to obtain that entitlement by "default". . ."

a. Is it KDC's position that HELCO's August 1992 application for an amendment to its conservation district use permit was intended to result in a default entitlement rather than a permit amendment? Please explain, and provide specific documentation.

b. In footnote 12, KDC cites to a transcript marked as KDC No. 20, stating that, "the Company and other agreed in court that the Company would request the Board to extend the 180-day decision-making deadline by 45 days. . .the Company refused to honor its agreement."

1. Does KDC acknowledge the following condition on that agreement, reflected on page 3, lines 20-25 and page 4, lines 1-3 of the transcript: "And also conditioned on the fact that the Department of Land and Natural Resources and the Board of Land and Natural Resources is able to secure the services of an acceptable hearings officer and to schedule a contested case hearing no later than 45 days from March 16, 1994. The parties have agreed that May 2nd, 1994 shall be the start date of that contested case hearing."?

2. Was the condition met, i.e., were DLNR and BLNR able to secure an acceptable hearings officer so that a contested case hearing could start by May 2nd, 1994?

KDC Response to
HELCO/KDC-IR 128
Ref: KDC SOP Pages
2 & 8

Response

a. KDC does not have documents that show the Company intended as of August 1992, to obtain a CDUP by "default." However, former Section 183-41, HRS states on its face that such a result was possible. The Company's intent can be inferred from the Company's actions taken after it filed its application.

b.1. KDC acknowledges the statements in the transcript.

b.2. Yes, the condition was met. As noted at Page 5 of the transcript, Mr. Maile already was serving as the hearing officer. The "contested case" was also scheduled to begin, by stipulation, on May 2, 1994.

HELCO/KDC-IR-129

Ref: KDC SOP, page 7.

Please provide a specific reference to support KDC's statement that HELCO, in deciding to apply for an amendment to its CDUP in 1992 did so "even though the Board had recommended that the Company rezone the Station site. . ."

a. Did "the Board" make such a recommendation prior to 1992?

b. Did any member of the Board make such a recommendation prior to 1992?

c. To the extent KDC can document such a recommendation prior to the March 2002 BLNR Order, was the recommendation a binding condition imposed on HELCO?

KDC Response to
HELCO/KDC-IR 129
Ref: KDC SOP Page 7

Response

a. In 1990, Juen Oda testified in Docket 6643 that "HELCO has been instructed by the DLNR that after the addition of CT-2 [in 1988] no future unit additions would be permitted at that site." Implicit in the DLNR's statement is that if the Company wanted to expand the Station, the BLNR would have to be divested of its jurisdiction (which could only occur by a boundary amendment to change the Station site from the Conservation district to the Urban district).

b. KDC is not aware of the specific representations that any member of the BLNR might have made prior to 1992.

c. Yes.

HELCO/KDC-IR-130

Ref: KDC SOP, page 7.

KDC cites to "the obvious advantages of rezoning" and "the obvious disadvantages of a CDUP".

a. Is KDC aware of any disadvantages or possible negative considerations of the rezoning process?

b. Is KDC aware of any advantages of obtaining an amendment to an existing CDUP?

c. Do the rezoning and CDUP processes have any shared characteristics, such as opportunity for opposition, opportunity for a contested case or other potentially prolonged hearing process? Please explain.

KDC Response to
HELCO/KDC-IR 130
Ref: KDC SOP Page 7

Response

a. One disadvantage or "possible negative consideration" in the rezoning process is that the decision-making body could deny a request for a boundary amendment or for a rezoning ordinance. Another disadvantage or "possible negative consideration" is that the legislative decision of the County Council, if adverse to the applicant, is generally not subject to judicial review.

b. KDC is not aware of an advantage that an application would enjoy to amend an existing CDUP to convert a peaking station to a baseload facility in a Conservation district, especially when the applicant-landowner told the BLNR in 1988 that it would not enlarge the Station further. However, if it were possible that BLNR members might deadlock on their votes, thereby creating a "default" situation, then that situation might be an advantage to seeking a CDUP. However, because a "default" CDUP would still be subject to the BLNR conditions in HAR 13-2-21, any such advantage may be illusory.

c. In a boundary amendment process, like in a CDUA process, the public may present opposing testimony and persons with standing may request intervention and request a trial-type hearing

on selected issues. The nature of the disputed issues would determine the scope and length of the hearing process. The decision criteria for a boundary amendment differ from that for a CDUP. See response to IR-100.b.

At the county level (zoning), opportunities also exist for the public to present opposing testimony, but a rezoning proceeding is not a "contested case" process. A rezoning proceeding is legislative in nature and there is no opportunity for intervention. Nor is there opportunity for appeals except in exceptional instances. As a legislative proceeding, a rezoning application moves on an established legislative calendar and is generally not susceptible to "prolonged hearings."

Thus, although the rezoning and CDUP processes have "shared characteristics" of an environmental review (EIS) and a "contested case," the extent of any opposition that might result in a "prolonged hearing process" depends on the facts, the petition contents, the issues of focus and the manner and the nature of the applicant-landowner's presentation.

HELCO/KDC-IR-131

Ref: KDC SOP, page 9

KDC characterizes the January 30, 1998 letter from DLNR to HELCO, in which DLNR states that Condition 15 (the three-year deadline) does not apply to the default entitlement, as a "secret letter" without effect.

a. Does KDC acknowledge that, prior to the Board's ruling in November 1999 that all 15 conditions applied (KDC No. 26), the Third Circuit Court upheld the validity of the letter as a ministerial act of DLNR in Civ. No. 98-058K?

b. Does KDC acknowledge that the Board's ruling in November 1999 came after the April 1999 three-year deadline had passed?

c. Does KDC acknowledge that the Third Circuit Court's Order in Civ. No. 94-141K that the three-year deadline had expired in April 1999 (KDC No. 18) was issued in November 2000, after the expiration of the deadline?

KDC Response to
HELCO/KDC-IR 131
Ref: KDC SOP Page 9

Response

a. In Civil 98-058K, the circuit court, in stating that the letter was a ministerial act, only held that the BLNR chairman did not have to conduct an administrative hearing (a "contested case") on the subject before issuing the letter. The court's ruling did not determine the "validity" of the statements contained in the letter.

b. Yes. However, the BLNR's declaratory judgment reaffirmed the BLNR's prior ruling in the Engelsted case. (KDC Nos. 35 & 36) The timing of the BLNR's ruling is not significant. In 1996, the Company declared in Civil 96-144K (KDC No. 24) that the 3-year deadline in Condition 15 applied, but then later recanted and asserted a different position. KDC put the Company on notice that the 3-year deadline applied and sought the BLNR's ruling before 1999.

c. Yes. However, the timing of the court's order is not significant. KDC put the Company on notice that the 3-year deadline applied before 1999.

HELCO/KDC-IR-132

KDC SOP pages 30 – 43.

a. What is KDC's understanding of the purpose of AFUDC?

b. What is KDC's understanding of when AFUDC should start to be accrued on a particular project?

c. What is KDC's understanding as to the periods during which AFUDC should not be accrued on a particular project?

d. For each of the responses to the subparts above, please identify the basis and source documents for KDC's understanding.

KDC Response to
HELCO/KDC-IR 132
Ref: KDC SOP Pages
30-43

Response

a. The purpose of AFUDC is to allow the Company to recover an appropriate amount reflecting the cost of committing its capital to a project, which amount the Company may request be added to its rate base.

b. AFUDC should start to accrue when the Company has committed capital to a project and when the project's completion date and construction schedule have been reasonably established.

c. AFUDC should not accrue for periods when the Company is not able to move forward with the construction of its project when, for example, the Company has not purchased material, parts or equipment for construction, does not have contractors ready to perform or is not able to proceed with construction due to foreseeable permitting restraints.

d. KDC has referred to direct testimony of Steve Carver, expert for the Office of Consumer Advocacy, submitted in prior Commission Dockets.

HELCO/KDC-IR-133

KDC SOP

In Order No. 22663 (page 9) filed on August 1, 2006, the Commission ordered that "KDC's participation is limited to responding to any discovery requests, filing a statement of position, and responding to questions at any evidentiary hearing".

a. If HELCO has additional questions that it wants to ask KDC at the evidentiary hearing, please identify the person(s) that KDC will make available at the evidentiary hearing to respond to questions in the following areas:
   i. Land use (e.g., rezoning, reclassification, etc.).
   ii. Air permitting.
   iii. AFUDC.
   iv. Management of construction projects.
   v. Utility capacity planning/generation planning.
   vi. Noise mitigation.
   vii. Utility rate setting.

b. For each person identified in subpart "a" above, please
   i. Provide their educational background and professional experience.
   ii. List any dockets or proceedings in which they have testified or otherwise participated relating to utility capacity planning or generation planning issues, and list the

subject(s) upon which they testified and/or in which they otherwise participated. Please provide copies of any such testimony.

iii. List any dockets or proceedings in which they have testified or otherwise participated relating to AFUDC issues, and list the subject(s) upon which they testified and/or in which they otherwise participated. Please provide copies of any such testimony.

iv. List any dockets or proceedings in which they have testified or otherwise participated relating to air permitting issues, and list the subject(s) upon which they testified and/or in which they otherwise participated. Please provide copies of any such testimony.

v. List any dockets or proceedings in which they have testified or otherwise participated relating to land use issues, and list the subject(s) upon which they testified and/or in which they otherwise participated. Please provide copies of any such testimony.

vi. List any dockets or proceedings in which they have testified or otherwise participated relating to issues concerning the management of a construction project, and list the subject(s) upon which they testified and/or in which

they otherwise participated. Please provide copies of any such testimony.

vii. List any dockets or proceedings in which they have testified or otherwise participated in a rate setting proceeding for a utility, and list the subject(s) upon which they testified and/or in which they otherwise participated. Please provide copies of any such testimony.

viii. List any dockets or proceedings in which they have testified or otherwise participated relating to noise mitigation issues, and list the subject(s) upon which they testified and/or in which they otherwise participated. Please provide copies of any such testimony.

KDC Response to
HELCO/KDC-IR 133
Ref: KDC SOP

Response

a.i. Land Use. (E.g. rezoning reclassification, permitting history and litigation.) Michael J. Matsukawa, Kailua-Kona, Hawaii.

a.vii. Noise Mitigation. (Litigation portion.) Michael J. Matsukawa, Kailua-Kona, Hawaii.

b.i. Witness Resume. Mr. Matsukawa's resume will be sent under separate cover.

b.v. Dockets and Proceedings. Michael J. Matsukawa participated as counsel in several proceedings, including, but not limited to, PASH, 79 Haw. 425 (1995); Kapaaki, 94 Haw. 31 (2000); Curtis, 90 Haw. 384 (1999).

HELCO/KDC-IR-134 KDC SOP, Exhibit Number 31 (1988 West Hawaii Site Study)

a. Please provide KDC's understanding of the scope and purpose of the 1988 West Hawaii Site Study. Please provide the basis for KDC's response.

b. Is it KDC's position that HELCO should have used a site other than the Keahole site for CT-4? If the answer is anything other than an unqualified "no", please fully explain the basis for the response.

i. Please identify the different site that HELCO should have used.

ii. Is it KDC's position that HELCO would not have had opposition if HELCO sited the new generation at the site identified in subpart b.i above? Please fully explain the basis for the response.

iii. What permits and approvals would have been required (e.g., land use, air permit, etc.) to place CT-4 and

the associated equipment at the site? Please state the basis for the response.

iv. How long would it have taken to receive the necessary permits and approvals? Please state the basis for the response.

v. How much would it have cost to obtain the site? Please state the basis for the response.

vi. How much would it have cost to obtain the necessary permits and approvals? Please state the basis for the response.

vi. For the costs identified in subpart v and vi above, is it KDC's position that HELCO should be able to recover the costs of obtaining the permits and approvals for the site and for the cost of the site? If the answer is anything other than an unqualified "yes", please fully explain the basis for the response.

c. Is it KDC's position that HELCO should have used a site other than the Keahole site for CT-5? If the answer is anything other than an unqualified "no", please fully explain the basis for the response.

i. Please identify the different site that HELCO should have used.

ii. Is it KDC's position that HELCO would not have had opposition if HELCO sited the new generation at the site identified in subpart c.i above? Please fully explain the basis for the response.

iii. What permits and approvals would have been required (e.g., land use, air permit, etc.) to place CT-5 and the associated equipment at the site? Please state the basis for the response.

iv. How long would it have taken to receive the necessary permits and approvals? Please state the basis for the response.

v. How much would it have cost to obtain the site? Please state the basis for the response.

vi. How much would it have cost to obtain the necessary permits and approvals? Please state the basis for the response.

vi. For the costs identified in subpart v and vi above, is it KDC's position that HELCO should be able to recover the costs of obtaining the permits and approvals for the site and for the cost of the site? If the answer is anything other than an unqualified "yes", please fully explain the basis for the response.

KDC Response to
HELCO/KDC-IR 134
Ref: KDC SOP,
Exhibit No. 31
(West Hawaii
Site Study)

Response

a. Because parties have tried to limit or qualify the scope and application of the 1988 West Hawaii Study site (and its component parts), it is best to review the purpose as it is written in the study itself.

b. Yes.

b.i. The Company should have sited CT-4 at the Company's Puna Power Plant. The Office of Consumer Advocacy had also recommended the location of CT-4 at the Puna Power Plant. (Testimony of C. Kikuta, CA-T1, Docket No. 99-0207, Pages 37 to 38) The Company also considered siting CT-4 at its Puna Power Plant. (See extended discussion in the Company's 1995 Contingency Plan, Sections 7.2.2.1, 7.2.2.2, 7.2.3.1, 7.2.3.3, 7.2.3.5.)

b.ii. The Company evaluated the potential for such opposition in its 1995 Contingency Plan. KDC believes that the opposition (if any) would not be as significant as the opposition to siting CT-4 at the Station.

b.iii.
to
b.vi. The Company evaluated these subjects in its 1995 Contingency Plan.

b.vi. The Company should be entitled to recover the reasonable costs of obtaining permits and approvals. Since the Company already owns the Puna Power Plant site, the Company should not be entitled to recover the cost of the site.

c. &
c.i.
to
c.vi. KDC believes that if the Company had sited CT-4 at the Puna Power Plant and in light of HCPC and Encogen's power purchase agreements, CT-5 would not have been necessary, i.e., it would not have been reasonably required to meet HELCO's probable future requirements for utility purposes. The Company also considered siting CT-5 in Hilo in Section 7.2.3.4 of its 1995 Contingency Plan and evaluated the possible opposition, permits and approvals, timing and costs therein.

a. In what year was KDC formed?

b. Please identify how KDC obtains its funding.

   i. Is funding provided by private donors?

   ii. Is funding provided by public donors?

   iii. Please identify any other sources.

c. Please identify the donors that have contributed funding (e.g., monetary, services, etc.) to KDC since the formation of KDC.

   i. Please state whether Waimana Enterprises, Inc. or any of its affiliates has contributed funding to KDC.

   ii. Please state whether Al Hee has contributed funding to KDC.

   iii. For each donor identified in response to subpart c above, for each year in which a donation was made, please provide the amount of the donation.

d. Please identify the donors that have helped KDC to pay for costs incurred in proceedings before state and/or county entities (e.g., BLNR, DLNR) and state courts (e.g., Third Circuit Court, Hawaii Supreme Court).

   i. Please state whether Waimana Enterprises, Inc. or any of its affiliates has helped to pay for costs incurred in proceedings referenced in subpart d above.

ii. Please state whether Al Hee has helped to pay for costs incurred in proceedings referenced in subpart d above.

iii. For each donor identified in response to subpart d above, for each year in which the donor helped to pay for costs incurred by KDC, please provide the amount of the donation.

KDC Response to
HELCO/KDC-IR 135
Ref: KDC SOP

Response

KDC responded to these questions in Civil 97-017K, Third Circuit and the Company's attorneys have these responses.

HELCO/KDC-IR-136 KDC SOP at 14-15.

KDC states ""[f]urthermore, even after being advised of and after acknowledging the need to obtain 'buffer zones' to mitigate noise as early as 1993 [ ], the Company made no effort to obtain such 'buffer zones' through the purchase of noise easements from adjoining landowners or otherwise."

a. Please describe what KDC means by the term "noise easement". Please provide the basis for KDC's response.

b. Please describe the process that needs to be completed to obtain a "noise easement". Please provide the basis for KDC's response.

c. Do landowners have the right to refuse to sign "noise easements"? Please provide the basis for KDC's response.

d. Please describe the process used to determine the amount to be paid landowners for the "noise easement". Please provide the basis for KDC's response.

e. What right(s) would HELCO have obtained under the "noise easement" with adjoining landowners? Please provide the basis for KDC's response.

f. Please identify the "adjoining landowners" in the 1993 to 2004 timeframe.

g. For each of the "adjoining landowners" identified in the subpart above, please state whether the "adjoining landowner" was willing to enter into a "noise easement" with HELCO and identify at what price the landowner would have entered into the "noise easement". Please provide the basis for KDC's response.

h. Please discuss what KDC means by the phrase "or otherwise" as used in the excerpt from KDC's SOP above.

i. Did KDC mean that there were means available to HELCO other than purchasing "noise easements"? If the answer is yes, please identify these alternatives.

ii. Is it KDC's position that HELCO would have been allowed to recover the costs incurred to obtain these "noise easements or other alternatives"? If the answer is anything other than an unqualified "yes", please fully explain the basis for the response.

KDC Response to
HELCO/KDC-IR 136
Ref: KDC SOP, Pages
14-15

Response

a. A "noise easement," like any other easement that affects the use of land, is an agreement where one landowner for consideration obtains the right to use another person's land or to expose the other person and his/her/its property to agreed-upon noise levels.

b. The process would include direct negotiations by the affected landowners.

c. A landowner could refuse to enter into negotiations or refuse to grant an easement. However, in certain circumstances, a utility may condemn land to obtain an easement pursuant to Section 101-4, HRS.

d. Consideration for a noise easement would be negotiated. An appraisal would be a helpful tool to determine a fair value.

e. The Company would obtain the rights and privileges that it and the other landowner agreed upon, such as the transmission of noise at agreed-upon levels on and through the other landowner's property.

f. The landowners can be identified through the records of the County of Hawaii real property tax office, the BLNR and the Department of Agriculture. The Company's expert (Cowell & Co.) prepared an economic impact study that lists the leaseholders in the Company's EIS.

g. It is speculative to say what landowners would or would not have done or what consideration would have been fair.

h.i. Yes. The Company could apply for a variance under the Department of Health's regulations.

h.ii. If the Company planned for and obtained noise easements at the outset, KDC believes the Company would have been allowed to include the reasonable cost of such expenditures into its rate base.

HELCO/KDC-IR-137

KDC SOP at 44.

KDC states "[t]o the extent that the Commission concludes that CT-5's capacity is not needed and that CT-5 is not needed and that CT-5 is not used or useful for utility purposes, the Commission *should exclude all amounts relating to CT-5 . . . from the Company's rate base*".

a. Is it KDC's position that "CT-5's capacity is not needed"? If the answer is anything other than an unqualified "no", please provide the basis for the response and include in the response the existing units on the HELCO system that would be run to provide power to HELCO's customers at the system peak.

b. Is it KDC's position that "CT-5 is not used or useful for utility purposes"? If the answer is anything other than an unqualified "no", please provide the basis for the response.

c. Is it KDC's position that CT-5 does not provide the HELCO system with operational benefits (e.g., providing generating capacity, helping to reduce line losses, providing voltage support, etc.)? If the answer is anything other than an unqualified "no", please fully provide the basis for KDC's position.

KDC Response to
HELCO/KDC-IR 137
Ref: KDC SOP, Page 44

Response

a. See response to IR-125, above.

b. See response to IR-125, above.

c. See response to IR-125, above.

HELCO/KDC-IR-138

Ref: KDC SOP, page 21.

KDC states that, ". . .the Company started construction without applying for an operating groundwater license (KDC No. 34), in the absence of which it could not operate what it proposed to build. The Company gained nothing by its choice except for predictable delay and increased costs."

a. Is it KDC's position that a groundwater license is required prior to the commencement of construction? Please explain.

b. Is it KDC's position that, prior to the 2003 Settlement Agreement, groundwater was the only source for the water necessary to operate the plant?

c. What delay in constructing or operating the plant was caused by when HELCO obtained the groundwater rights? Please be specific and provide documentation.

d. What increased costs were attributable to when HELCO obtained the groundwater rights? Please be specific and provide documentation.

e. To the extent any of such "increased costs" include the legal expenses to defend the revocable permit and the groundwater lease from challenge by project opponents, is it KDC's position that there would have been no such challenges had HELCO obtained the groundwater rights at an earlier time?

KDC Response to
HELCO/KDC-IR 138
Ref: KDC SOP, Page 21

Response

a. The Company needed a groundwater license for operations. However, there was no guaranty that the BLNR would give the Company a license.

b. The Company had certain commitments from the County of Hawaii Department of Water Supply for potable water. However, questions existed as to the sufficiency of this supply to support the Company's overall operations. A discussion on this point appears in the Company's EIS.

c. If the Company had put CT-4 and CT-5 in service in the 1994-1995 time frame (as proposed) and without obtaining a groundwater license, operations would have been delayed. The Company's protracted construction operation schedule in hindsight resolved any operational delay due to groundwater availability, but such protraction gave rise to other costs and delays.

d. As the Company encountered opposition to the Projects over time, the Company also invited opposition to its groundwater application by other persons. KDC did not oppose the Company's groundwater application. The opposition caused the Company to incur attorney fees to obtain and to defend its

groundwater license. In other words, the timing of the Company's application affected the intensity of the opposition that was lodged against the Company's application for a groundwater license.

e. It is speculative to state whether the Company would have faced less opposition to its license or would not have had to defend its license if the Company had applied for a license at an earlier time.

KH

KEAHOLE DEFENSE COALITION
c/o Keichi Ikeda
73-1489 Ihumoe Street
Kailua-Kona, Hawaii 96740
Telephone No.: (808) 325-1489

March 7, 2007

Public Utilities Commission
Department of Budget & Finance
465 S. King Street, Room 103
Honolulu, HI 96813

RE: IN THE MATTER OF THE APPLICATION OF HAWAII ELECTRIC LIGHT COMPANY, INC. FOR APPROVAL FOR RATE INCREASES AND REVISED RATE SCHEDULES AND RULES, DOCKET NO. 05-0315

Greetings:

Enclosed are the original and 11 copies of KDC's Responses to HELCO's IRs Nos. 101 to 138. The electronic version will be mailed under separate cover.

Thank you.

Yours truly,

KEAHOLE DEFENSE COALITION

Keichi Ikeda

Keichi Ikeda
President

KEAHOLE DEFENSE COALITION
73-1489 Ihumoe Street
Kailua-Kona, Hawaii 96740
Telephone No.: (808) 325-1489
"Participant"

BEFORE THE PUBLIC UTILITIES COMMISSION

STATE OF HAWAII

In the Matter of the Application of	DOCKET NO. 05-0315
HAWAII ELECTRIC LIGHT COMPANY, INC.	CERTIFICATE OF SERVICE
for Approval for Rate Increases and revised Rate Schedules and Rules.	

030707\kdc\puc\ir-rsp.cs

CERTIFICATE OF SERVICE

I hereby certify that I have this date served copies of **KEAHOLE DEFENSE COALITION'S RESPONSES TO HELCO'S INFORMATION REQUESTS NOS. 101 TO 138** upon the following parties via the U.S. Post Office, Kailua-Kona, Hawaii, postage prepaid, addressed as follows:

	No. of Copies
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS DIVISION OF CONSUMER ADVOCACY 335 MERCHANT STREET, SUITE 326 HONOLULU, HI 96813	6
THOMAS W. WILLIAMS, JR., ESQ. PETER Y. KIKUTA, ESQ. GOODSILL ANDERSON QUINN & STIFEL ALII PL., SUITE 1800 1099 ALAKEA STREET HONOLULU, HI 96813 Attorney for HAWAII ELECTRIC LIGHT COMPANY, INC.	3

DATED: Kailua-Kona, Hawaii, March 7, 2007.

KEAHOLE DEFENSE COALITION
Participant

By: Keichi Ikeda
KEICHI IKEDA
Its President